



7th March, 2018

**Notice under Section 6 (2) of the Competition Act, 2002 given by
Rajputana Properties Private Limited**

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Mr. G. P. Mittal
Member

Legal representatives: Shardul Amarchand Mangaldas

Order under sub-section (1) of Section 31 of the Competition Act, 2002

1. On 16th February, 2018, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) given by Rajputana Properties Private Limited (“**RPPL**” or “**Acquirer**”), a wholly owned subsidiary of Dalmia Cement (Bharat) Limited (“**Dalmia**”). The proposed combination was notified, pursuant to Resolution Application dated 12th



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2018/02/557)



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February, 2018 filed under Insolvency and Bankruptcy Code, 2016 (“**IBC**”), for consideration of the committee of creditors (“**CoC**”).

2. The proposed combination relates to acquisition by RPPL of 80 percent of the equity shares of Binani Cement Limited (“**Binani**” or “**Target**”) (“**Proposed Combination**”) (hereinafter, Dalmia and Binani are collectively referred to as “**Parties**”). The remaining 20% of the equity shareholding of Binani is proposed to be acquired by IDBI Bank Limited (“**IDBI**”). It has been submitted by the Acquirer that following shall be carried out before the Proposed Combination: (i) the shareholding in the Acquirer is proposed to be divided among Dalmia, India Resurgence Fund (“**Fund**”) and Piramal Glass Private Limited (“**PGPL**”); (ii) Entity, managing the Fund, shall become a joint venture between Piramal Enterprise Limited (“**PEL**”) and group entity of Bain Capital Credit, LP (“**BCC**”).
3. In terms of the provisions of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), *vide* letter dated 23rd February, 2018, the Acquirer was, *inter alia*, required to provide certain information regarding horizontal overlap and vertical relationship between the activities of the Parties (including their subsidiaries) by 27th February, 2018. The Acquirer filed its response on 1st March, 2018, after seeking extension of time.
4. RPPL, a private limited company incorporated in India and a wholly owned subsidiary of Dalmia, is not engaged, directly or indirectly, in any business activity in India.
5. Dalmia, part of Dalmia Bharat Limited Group (“**Dalmia Group**”), is engaged in manufacture of grey cement and has 11 cement plants (which includes 7 integrated plants and 4 grinding units), located in eight states namely, Orissa, West Bengal, Jharkhand, Karnataka, Assam, Tamil Nadu, Meghalaya and Andhra Pradesh. It has an installed capacity of 25 million tonnes per annum (“**MTPA**”) and sells cement under the



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brand names: Dalmia DSP, Dalmia, Dalmia Super Roof, Vajram, Konark and Dalmia SRPC.

6. Binani, a subsidiary of Binani Industries Limited, has cement plants in Rajasthan (located at Binanigram and Neem ka Thana). It also has two limestone mineral concessions in Rajasthan. It is engaged in the production and sale of grey cement, white port land cement and other varieties of cement. Further, it also manufactures and supplies concrete, lime, clay, gypsum and limestone *etc.* For manufacture of grey cement, Binani has installed capacity of 6.25 MTPA.
7. It has been stated in the notice that while Binani is engaged in production and sale of both white cement and grey cement, Dalmia is engaged only in production and sale of grey cement; accordingly, there is horizontal overlap between the Parties in respect of grey cement. The Commission observed that none of the cement plants of either party is located in the same state as that of the other party. Further, based on their respective dispatch data, the Parties have submitted that there is a minor overlap in sale of grey cement in the state of Maharashtra, wherein the combined market share of the Parties, post the proposed combination, would be in the range of 0-5 percent, with an increment of about 1 percent. The Acquirer has also submitted that there is no vertical relationship between the Parties.
8. With respect to the presence of Fund, PEL and BCC in the business of manufacture and sale of grey cement in India, the Commission noted that neither the said entities are engaged in the production and sale of grey cement nor the portfolio companies of Fund, PEL and BCC are engaged in the production or supply of grey cement, in India. Furthermore, PGPL is not engaged in the business of manufacture and sale of grey cement in India. Thus, at present, there is no overlap or vertical relationship, directly or indirectly, between Fund, PEL, BCC and PGPL, and the Target.
9. Considering facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment on the basis of factors stated in sub-section (4) of



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Section 20 of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have an appreciable adverse effect on competition in India.

10. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
11. The information provided by the Acquirer is confidential at this stage, in terms of and subject to the provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the Acquirer accordingly.